

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
A CHANGE TO ITS TRANSMISSION) PSC Docket No. 15-1117
SERVICE CHARGE FOR ITS ELECTRIC)
SUPPLY AND TRANSMISSION CUSTOMERS)
(FILED July 10, 2015))

ORDER NO. 8773

This 18th day of August 2015, the Delaware Public Service Commission (the "Commission") finds, determines, and orders the following:

WHEREAS, on July 10, 2015 Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Commission an application to increase its Transmission Service Charge for both its Standard Offer Service ("SOS") Fixed Price Service and SOS Hourly Priced Service from \$2.545253 per kW-month to \$2.973246 per kW-month and to revise Tariff Leaf Nos. 111 and 114 to reflect these increases; and

WHEREAS, according to Delmarva, these adjustments are derived from the procedure for establishing retail transmission rates set forth in Paragraph F of Section II of the Settlement Agreement that the Commission approved in PSC Docket No. 04-391, Order No. 6746 (Oct. 11, 2005). That settlement established a pass-through mechanism that permits Delmarva to establish a Transmission Service Charge for retail customers that mirror the transmission rates that PJM Interconnection, L.L.C. charges Delmarva under Federal Energy Regulatory Commission ("FERC") requirements; and

WHEREAS, the Transmission Service Charge is the result of the 2015 annual update to the Network Integration Transmission Service

Rate for the Delmarva Transmission Service Zone ("Network Rate") filed in FERC Docket No. ER09-1158 based on 2014 FERC Form 1 data; and

WHEREAS, review of the FERC-approved formula rate is subject to the FERC Formula Rate Implementation Protocols ("Protocols"); and

WHEREAS, in an order issued October 17, 2014 in Docket No. ER09-1158, the FERC confirmed that the Protocols provide that the Company has the burden to demonstrate the prudence and the inputs to the formula rate that result in the justness and reasonableness of the charges resulting from application of the formula rate; and

WHEREAS, Staff will be issuing discovery in FERC Docket No. ER09-1158 primarily intended to confirm whether Delmarva's 2015 update to the Network Rate was in compliance with the Protocols; and

WHEREAS, Staff states that preliminary review of the inputs to the 2015 Network Rate indicate issues that should be pursued with discovery requests and, pursuant to the Protocols, any adjustments that might be necessary would be reflected in the next annual update to the Network Rate; and

WHEREAS, given the procedures of the Protocols requiring any adjustments to the Network Rate to be reflected in the following annual update filed in FERC Docket No. ER09-1158, Staff recommends that the Commission approve this proposed 2015 annual update to the Transmission Service Charge as filed by the Company in the instant docket.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That, pursuant to Order No. 6746, issued October 11, 2005, in PSC Docket No. 04-391, the proposed rates for Transmission Service Charges for SOS Fixed Price Service and Hourly Priced Service offerings reflected on revised Tariff Leaf Nos. 111 and 114 which Delmarva Power & Light Company filed on July 10, 2015, are approved, effective with usage on and after September 8, 2015 as requested by the Company.

2. The Company should file final revised tariff sheet Leaf Nos. 111 and 114 within 15 days of this Order.

3. That the Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary